

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
 WASHINGTON

June 17, 1921.

CONFIDENTIAL - C.C.S., M.I.D., G.S.

CONFIDENTIAL

MEMORANDUM FOR THE CHIEF, M.I.5:

Subject: Notes on civilian contacts.

OSD Declassification/Release
 Instructions on File

✓ J. P. MORGAN AND COMPANY. Mr. Morgan himself is our only contact so far, and is away from New York about half of the time. When he has been there, he has always seen me, and always talked very frankly and interestingly. Like other big heads, he deals only in generalities, but his generalities are very good. I don't believe much specific information could be gotten from Mr. Morgan or any of his immediate associates, but they can get it for us, lower down.

✓ THE NATIONAL CITY BANK. Mr. Stillman is no longer president. The ideal contacts for us in this company are A. L. Hoffman and W. W. Hoffman, both of whom were in M.I.D. during the war. They are not in the directorate of the company, but they are high enough up to have access to people who can give us information. They are both very keen about M.I.D. The best method of dealing with them is the one which they themselves suggest - that the visit be announced by letter some days beforehand, and that the subject or subjects of particular interest be indicated. I lost a lot of time by keeping up the contact with Mr. Stillman, from whom I never got anything but generalities. Very much more can be had from this company by developing our contacts with the two Hoffmans, and through them with the department heads. Informationally, the firm is divided into departments which cover geographical areas, not subjects.

✓ GUARANTY TRUST COMPANY. This company and also the Foreign Trade Corporation, both direct subsidiaries of Morgan and Company, might well be developed more than we have so far done. The trouble has been that I have relied too much on Colonel Grayson Murphy, who was vice-president of the Guaranty and later head of the Foreign Trade Corporation. He is now out of both firms. He was G-2 of the 42d Division during the war, and ought to have helped us; but as a matter of fact we never got anything from him. I do not think he was much interested. I had meant to ask Mr. Morgan, on my last trip, to put me in touch with someone in the Guaranty, and also someone in the Foreign Trade, but I did not see him. Of course, both of these firms should be immensely valuable to us because of their very extensive foreign connections.

✓ AMERICAN INTERNATIONAL CORPORATION. Mr. Stone is approachable and genial, and occasionally gives very interesting information. I think he likes us to go and see him. He is particularly good because of his engineering contacts through Stone and Webster. They are doing quite a bit of work in the Far East, particularly Japan. Mr. Martin is head of the Research Bureau. He is a tremendously keen Yankee, a statistician and an analyst. With the exception of Mr. Meyer, of the Standard Oil, Mr. Martin has given us more information of value than any other man. He talks absolutely to the point and usually brings out some digested information in written form, which he has so far been very willing to either give us or lend us. This firm's interests extend all over the world, and it controls a library of reports and maps with which we should by all means maintain contact.

✓ STANDARD OIL COMPANY OF NEW JERSEY. Mr. Teagle is a younger man, full of energy and pep, and quite willing to spare you a few moments if you talk fast. He has given us some interesting information, and is well worth knowing. Mr. Sadler is the head of the foreign sales department, and was for a long time representative in Roumania. He has at his command more information of interest to us than Mr. Teagle, and is fairly willing to impart it. The best con-

HS/EC-118

000030

- 2 -

tact of all in this particular company, however, is Colonel William Warfield, an ex-officer of the Army, now in the Reserve. He has been a little of everything in his time - an explorer, a consular officer, Red Cross representative and various other things. I have run into him all the way from Albania to Siberia. He is a subordinate of Sadler, and well repays direct contact. The Standard Oil of New Jersey is particularly interested in the oil fields of this hemisphere, and of Europe and the Near East. This company controls very valuable maps and geographic reports, some of which have been lent to us and are of great value.

✓ STANDARD OIL COMPANY OF NEW YORK. Both Mr. Cole and Mr. Meyer are most excellent contacts. They are always approachable, very cordial and most willing. They send us from time to time interesting information in written form, using key letters to denote the source. They apparently act as alternate directors of this company, the one not actually on the job being usually on a trip in the Far East. Mr. Meyer has taken particular interest in our connection, and whenever I have seen him has taken me out to lunch and given me anywhere from one to two hours of his time. This company also controls very valuable maps and some geographic reports, with which we should keep in contact. The field assigned to its operation is the Far East.

UNITED STATES STEEL CORPORATION. Mr. Farrell is a very difficult man to see. He will not make appointments several days ahead. He is ultra-conservative about giving out information, but when he has seen me he has talked to the point. A contact lower down in this corporation might be useful.

✓ W. R. GRACE AND COMPANY. Mr. J. P. Grace is quite a young man and a keen sportsman. He is very much to the point in everything he says, and very willing to give information and to maintain contact with us. The company's interests lie primarily in Latin-America, particularly on the west coast of South America. They are a great shipping and trading firm, whose interests also extend to the Far East.

✓ AMERICAN LOCOMOTIVE SALES CORPORATION. I should say that our friend Mr. Muchnic is a Russian Jew, but of the best type. He appears to be exceptionally intelligent, and I think is pretty broad minded. Whenever I have seen him I have usually spent at least half an hour with him, and what he has said has been very interesting. The company's interests are pretty extensive and cover practically all countries in which American locomotives may be sold.

✓ AMERICAN ASIATIC ASSOCIATION. Mr. Foord is a very interesting man, and a most excellent contact. He is a genial, canny little Scotchman, with a passionate interest in the Far East. He is not pro-Japanese - if anything, rather the contrary. He is very public-spirited, and very naturally works in the interests of good relations between the United States and Japan. His only foible is his pet idea that there is no such thing as a militaristic ruling class in Japan. He is no longer a young man, and this idea has taken fixed root in his mind. The result is that it has biased his otherwise excellent judgment on Japanese politics and on Japanese relations with the United States. He is particularly good in putting one into touch with interesting people from the Far East, or who have knowledge of the Far East.

✓ UNITED STATES TIRE COMPANY. Mr. Gunn is one of our best friends. He will go out of his way to give us an appointment, and talks at length. He is very interesting and is apparently extremely public-minded. I think he has taken more personal trouble to help us than anyone else. His company is particularly interested in the Dutch East Indies and that part of the world. He gets very good reflex action on India and on Japan.

✓ UNITED STATES RUBBER PLANTATIONS. Mr. Stuart Hotchkiss, I think, was connected with us during the war. In any event, he seems very enthusiastic about cooperation with M.I.D. I do not know him personally, but have had some correspondence with him. Mr. L. D. Tompkins, a younger man, apparently senior assistant to Mr. Hotchkiss, was an officer of the Army during the war, and gave me some very good information indeed the only time I ever saw him.

- 3 -

✓ GENERAL ELECTRIC COMPANY. Mr. Coffin is an elderly man and quite garrulous. He talks a lot of generalities, and I have rarely gotten anything of value from him. He should be avoided on any subject touching the Japanese, because he is an ardent protagonist of Japan. The company has interests pretty much all over the world, and is quite interested in Japan and the Far East, although not so much so as the Westinghouse, with whom we have no direct contact. We should have this contact, and it could probably be arranged through Mr. Coffin.

✓ COLONEL H. C. WILSON. Consulting engineer, 432 Madison Avenue, New York. Colonel Wilson was an officer in one of our Artillery regiments in France and also served in G-2. He is now consulting engineer for the Westinghouse Company and several other firms. Major Casey, of the DuPont Works, gave me his name as a man who would be glad to cooperate with us and who would be apt to know a good deal about foreign activities, particularly Japanese. I only learned this lately, and have not had time to make contact with him. He should be a good lead into Westinghouse.

SINGER SEWING MACHINE COMPANY. We have never gotten anything out of these people, although they have tremendous informational possibilities. Mr. Park is particularly close and conservative, and I do not think he likes the idea of contact with us. Mr. Dixon is sometimes useful, because he knows Russia very well indeed and can be induced to talk somewhat on that subject. The company's interests extend all over the world.

✓ THE TEXAS COMPANY. Mr. Lufkin is approachable, cordial and an excellent contact. The company is particularly interested in Texas and Mexican oil fields, and maintains as its representative in Mexico City General Ryan, a personal friend of Obregon.

✓ AMERICAN SHELTING AND REFINING COMPANY. Mr. Loeb looks like a typical, rich New York Jew, which he is. He is rather brusque and somewhat taciturn. I do not think he is over-joyed to see us. He has, however, very accurate and valuable knowledge of Mexico and the Mexicans, and can be induced to divulge some of it. We tried to get his people along the border, particularly his headquarters at El Paso, to work with us on Mexican information. The military authorities down there tried also. But the company representatives on the border would have nothing whatever to do with us. They were sore at the military, and quite obviously did not trust us to keep their connection with us an absolute secret. They are not to be blamed much in this, but their attitude in the matter has probably somewhat influenced Mr. Loeb. I have, however, occasionally gotten very interesting information from Mr. Loeb. Mr. R. W. Straus, one of the directors of this company, is an ex-officer of M.I.D. He is a young man, and of the best type of American Jew. He is a very valuable source of information and I think has excellent judgment.

BRITISH-AMERICAN TOBACCO COMPANY. This is a British corporation, but largely controlled by Americans. Mr. Allen himself is an American, a younger man and inclined to be a little taciturn. He will open up, however, if he once understands specifically what you want. I think he likes to see us and wants to help us, but would feel embarrassed if asked to give any information which he was not sure his British firm and the British Government would want us to have. The area of interest of this company is the Far East.

AMERICAN TOBACCO COMPANY. Mr. Hill is of a different type from any of our other contacts in New York. He appears to be very much self-made and pretty coarse. He is not at all keen about contact with us and, although personally rather affable, is of very little use for information. The company's interests cover the tobacco growing regions of this hemisphere, and they are also somewhat interested in the Near East.

✓ MARSH AND McLENNAN, MARINE INSURANCE. Mr. Marsh is an odd character. He served during the war in Naval Intelligence. The personal impression that he makes is one of great energy and business. He has irons in every fire. He seems interested in a thousand things, and talks very rapidly and with con-

- 4 -

siderable nervousness. He is a great Anglophile, and spends half his time in England. He owns Warwick Castle. He claims to know intimately everybody high up in the world. My impression of him is that he is a good man to keep in contact with, because he might very well be the source of something really interesting. But he is flighty, and his general line of conversation I do not think should be given much weight. His company is one of the big marine insurance companies of this country, and their foreign interests are very large.

✓ NEW YORK LIFE INSURANCE COMPANY. Mr. Frederick Corse is one of the managers of this company, and an old personal friend of mine. He is the best type of New Englander. He has risen from poor beginnings, but has done very well for himself and is a man of unusually sound judgment. He has spent about twenty-five years in Russia as the manager of the New York Life, and he speaks and writes Russian fluently. He also knows the Russians very well indeed. He will go back to Russia as soon as it opens up and pick up the wrecks of his affairs there. I have had opportunity to test his judgment on Russian affairs for the past seven years. I found him to be one of the soundest men on the war while I was in Russia, and I am convinced that we could keep no better Russian contact than Mr. Corse. His patriotism and his desire to cooperate in every proper way with the government are manifest.

NATIONAL ASSOCIATION OF MANUFACTURERS. Mr. Bird is a recent contact, and I do not know him well. He seems very affable and well disposed to give us any information we want. He should be able to give us quite a little foreign and a lot of domestic information. The Association's interests, however, are so diversified that probably specific questions will have to be asked in order to bring out information of any value.

✓ AMERICAN EXPRESS COMPANY. Mr. Frothingham is also an ex-officer. He is a younger man of the best sort of type. I have every reason to think that he is a good friend of ours, but on the other hand I have never gotten anything of value from him. I think that he is more or less absorbed in the routine of his business and, except for exchange and other economic generalities, he is not very much in the know. The broad extent of this company's interests, however, make it well worth while that this contact be kept up.

✓ J. G. WHITE AND COMPANY. Mr. Dunn is a younger man, very approachable, keen, intelligent. He seems to be the best type of successful civil engineer. He is a live wire, but a very polished one. He likes contact with us and will do anything he can. His company is interested in various engineering projects pretty much all over the world.

NATIONAL THRIFT BOND COMPANY. Mr. Kimball is a very keen type of business man, and I think would be quite willing to cooperate with us. He wants us to put up to the General Staff a proposition of his company to issue insurance in small denominations to the enlisted men. I told him that I would personally take it up with Colonel Munson whenever he perfected it and sent it on. He has so far not done this. His company is in intimate connection with a great many laborers of all types in this country, and might well act for us as an excellent barometer.

✓ GOODRICH LOCKHART COMPANY. Colonel Goodrich you probably know. He was on the General Staff during the war and was assistant to Colonel Wait Johnson at the Olympic Games in Paris after the armistice. He is a tremendous Army enthusiast, and a splendid man. He always wants to help, and is only too glad to see us. The foreign interests of his company, however, are not very extensive, and so far we have not received much information of value from him.

✓ H. J. BAKER AND BROTHERS. 81 Fulton Street, New York City. William Gelschemen, of this firm, was an officer of Ordnance during the war and is very much in the know on the shipment of nitrates, sulphates and other chemicals. Baker and Brothers is a large chemical export and import house, and covers the whole foreign field.

✓ BARRETT AND COMPANY. 17 Battery Place. Dr. D. W. Jayne was in constant

consultation with the Ordnance Department during the war, and is a chemical expert. He is particularly in the know on matters of gas and explosives manufacture abroad and on the shipment of gas and explosives materiel. Barrett and Company is a large chemical concern.

CENTRAL LEATHER COMPANY. I have met Mr. McAdoo only once, on one of my last trips. He has but recently taken over his desk. He did not seem to understand my visit very well, and although fairly willing to talk, I do not think that we will get much out of this company in the future, except along the lines of specific questions on leather economics. The company's interests extend pretty generally over the leather centers of the world, and I think they want very much to get in early on the Russian market when it opens up.

✓ COLONEL J. A. J. DOOLEY. Colonel Dooley was an officer of the Marine Corps during the last war. He was with the Savage Arms Company and is now with the United States Cartridge Company, 115 Broadway, New York. His name was also given to me by Major Casey, of the DuPont Works, as a man who would willingly cooperate with us and who is very much in the know about the sale of arms to foreign governments. I only learned this recently, and have not had time to make contact with him.

GUY MORRISON WALKER. 61 Broadway. Mr. Walker is a prolific correspondent by mail, although I have never seen him. He is an invalid, and a violent pamphleteer against Japan and everything Japanese. I got in contact with him through his office in New York, and he has been sending us pamphlets and letters ever since. I think he will flow on without any further encouragement from us, and of course there is always a chance that he may say something of real value sometime.

JOHN W. GEARY. Philadelphia. He is of course well known to you, and can be relied upon to get us anything obtainable in Philadelphia.

BALDWIN LOCOMOTIVE WORKS. Mr. Vauclain is very public-spirited and patriotic. He is willing to take a great deal of trouble to get us information when we ask for it. He recently sent one of his division chiefs down to Washington at the company's expense, because we wanted certain information which this man had. Mr. Vauclain was given the D.S.M. for his services during the war. His company has excellent foreign connections and maintains such men as Eddie Greble as its foreign agents.

✓ DUPONT POWDER WORKS. Colonel W. S. Spruance was an officer of Ordnance during the war and is, of course, very willing to give us any information he has. Under him is a Major Casey, also an ex-officer and equally willing to cooperate.

COLONEL WALTER S. MARTIN. One of our best contacts, although he particularly affects, not so much M.I.5 as the Military Attache in Havana. He was, as you know, Chief of M.I.5 during the war, and is now managing director of the Havana office of the United States Steel Products Corporation.

* * * * *

SUGGESTIONS

Visits to New York should be made in civilian clothes. The uniform is now so conspicuous as to be embarrassing, not only to the wearer, but the civilians on whom you call. They do not altogether like to run the risk of having it known that a General Staff officer is a regular visitor.

Our contacts should be divided into two groups. First, those which give us a great deal of valuable information. This group, I think, should


- 6 -

consist of J. P. Morgan and Company, the National City Bank, the Guaranty Trust Company (properly developed), the Foreign Trade Corporation (properly developed), the American International Corporation, the Standard Oil Company of New Jersey, the Standard Oil Company of New York, the United States Steel Corporation, W. R. Grace and Company, the American Locomotive Sales Corporation, the American Asiatic Association and the United States Tire Company. Second group - all other contacts.

You will find that you cannot visit on the average more than four contacts a day. If you go to New York for a three-day trip, that means twelve contacts. The first group of twelve contacts contains all of the people whom it is always well worth while seeing. If you ask to see all of these twelve on a visit to New York, you will probably see from seven to nine. The other five to three will be out of town, or something, and should be replaced by visits on selected contacts of the second group, either because of their direct bearing on the particular question or questions you have in mind for your trip, or simply to keep up the contact. Should you be particularly interested, for instance, in Mexico, your trip should include, in addition to as many of the first group as you can see, visits to the Texas Company, the National Association of Manufacturers, and perhaps the American Express Company, Marsh and McLennan, or John G. White. The contacts of the second group should be kept up by a visit once or twice a year, if for no other purpose than to keep them ready for active use during war.

The office of the G-2 on Governor's Island has a duplicate copy of our list of firms. It is only necessary to write to them several days before your visit, giving them the symbol numbers of the firms you want to see, say sixteen or seventeen of them for a three-day visit. Miss Prentiss, in that office, is very clever about arranging by telephone for the appointments, and you should, as I suggest, give her four or five names more than you can possibly see, to cover those who will be out of town, or who for some other reason cannot see you.

We have a confidential channel of communication with our old New York contacts, through J. G. White, 511 Chestnut Street, Philadelphia. But this channel is falling into disuse, and should be discontinued, except for some firm which shows hesitation in writing direct. We use unstamped stationery, and there is no cause for objection to direct correspondence, but of course correspondence has fallen off very much indeed since the war; and contacts should be maintained, generally, by personal visits.


Sherman Miles,
Major, Field Artillery.

bap